

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6(g)

2237 Transaction # or Vista Equipment Transaction #: 675-13-3-2639-0405

This acquisition is conducted under the authority of the Multiple Award Schedule Program as authorized by Title III of the Federal Property and Administrative Service Act of 1949 (41 U.S.C., et seq.) and Title 40 U.S.C. 501, Services for Executive Agencies.

The medical equipment listed in paragraph 3 below is a limited source requirement, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following sources:

MFR POC & phone number: Christopher Helgoth, 407-257-3364
MFR Address: 3500 Corporate Parkway, Center Valley, PA, 18034-0610
DUNS: 017018859 Socio: o

☒ The requested material represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY: Department of Veterans Affairs
Network Contracting Office 8
Service Area Office (SAO) - East
Department of Veteran Affairs - VHA
5201 Raymond Street
Orlando, FL 32803
Tel: 321-397-6722
VISN: 8

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

Orlando VAMC is requesting a limited source for the Evis Exera III Video Processor w/Light Sources, double-wide video cart, monitors and accessories/supplies from Olympus America. This is a brand name item essential to the government's requirement to be procured from a sole source.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

Need to meet the agency's need are endoscopic video processors compatible with all Olympus fiber-optic video scopes, Standard definition Includes camera control unit, RGB cable, Y/C cable, BNC cable, light control cable, power cord White balance, colour bar, AGC, Contrast, Iris, Image enhancement,

image switching, image size selection, zoom, multi-freeze VBS, DV IEEE1394, Composite, YC and RGB outputs. All endoscopic equipment inclusive of scopes and accessories currently in use at the Orlando Medical Center is manufactured by Olympus. NAICS: 334510

(b) ESTIMATED DOLLAR VALUE: \$588,473.62

(c) REQUIRED DELIVERY DATE: September 30, 2013

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE. (CHECK ALL THAT APPLY AND COMPLETE)

☒ Specific characteristics of the material that limit the availability to a sole source (unique feature, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

Olympus America, is the manufacturer of the Evis Exera III video processor being requested. The requirement is limited to a specific brand to be procured from a sole source. Olympus America GSA Contract V797P-4065D, Schedule 65 II A, Category A-9.

☐ A patent, copyright or proprietary data limits competition. The proprietary data is:

☐ These are "direct replacements" parts/components for existing equipment. N/A

☒ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

The video processor is an add-on for use with our current Olympus equipment for endoscopy procedures. To benefit from interchangeable parts for easy use, assembly, repair, and sterilization of existing endoscopic systems, video processor must be from the same manufacturer as existing equipment.

Olympus systems are fully integrated within the Orlando Endoscopy Department. Our nursing, medical, biomed, & SPS staff is currently trained & have documented competencies in the use, maintenance, troubleshooting & repair of the requested equipment. All our accessories are also integral part of this system. The purchase of this equipment will maintain standardization throughout the facility which will meet a standard of healthcare delivery to our veteran population.

☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures. N/A

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

This is a limited source competed requirement to be procured through a sole source using the Federal Supply Schedule. As per FAR 8.404(d), GSA has already determined fixed-prices of scheduled supplies to be fair and reasonable; ordering activity is not required to make a separate pricing determination. Pricing is the determining factor (Firm-fixed price). When compared to Market List Pricing, GSA Pricing offered 22% savings.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

The requirement is for brand name using a sole source. A search of Federal Supply Schedule revealed other manufacturers of endoscopic equipment such as Pentax, Linvatec, and Storz. However, equipment compatibility is not feasible since other manufacturers' endoscopic hardware and software cannot interface with the existing Olympus system.

Extensive market research was conducted through Google, FBO.gov, GSA Advantage, agency historical procurement data, customer input, and industry practice. Market research revealed that within the Department of Veterans Affairs the purchase and leasing of endoscopic medical equipment has been achieved through approved sole source/brand name. The following transaction numbers support the aforementioned market research: VISN 3 (Transaction 526-13-1-4560-0006), VISN 12 (Transactions 695-11-4-969-0202, 695-11-4-969-0203, 695-11-4-969-0204, 695-11-4-969-0205), VISN 16, and VA Strategic Acquisition Center (VA119-13-1-0003).

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Cost Containment and Quality Care through standardization: Purchasing Olympus equipment allows for standardization which will minimize the need for new equipment training to a broad amount of staff to include: physicians, nursing, Biomed, SPS. Having knowledge (tacit and explicit) of the endoscopic equipment is imperative to ensuring patient safety, providing quality care, and troubleshooting problems. The training funds saved through the standardization of endoscopic equipment could be used to fund department project and purchase new technology.

The Evis Exera III Video Processor is proprietary to Olympus specially its unique technology called "Narrow Band Imaging" or NBI which enhances visualization of the capillary network and mucosal morphology by taking advantage of two narrow wavelengths of light (blue and green) that are easily absorbed by hemoglobin the blood during endoscopic observation. Another feature unique to the Olympus Evis Exera III is the One-Touch Connector, a fully waterproof connector that requires only one point of contact to the system minimizing the effort required for set-up from pre-examination set-up

to washing and disinfection after examination, and reduces the chances of human error.

System proprietary imaging chips do not communicate across manufacturers thus delimiting its interchangeability. The mixing of brands will cause interference with and make null the equipment's special functions thus compromising ongoing reliability and precision performance. Incorporation of non-Olympus materials and parts, modification/alteration, or repairs by a non-Olympus authorized technician done to achieve brand-mixing functionality will void the product warranty.

Purchasing the Olympus brand video processor allows the Orlando VAMC to benefit from using existing competencies, safety protocols, and maintenance policies. From a logistical perspective, standardization increases accessibility to replacement parts, and affords VA concentrated buying power.

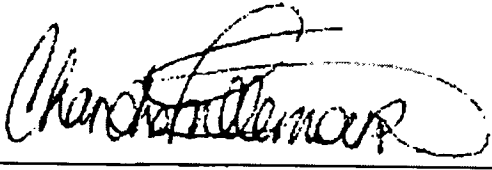
Under VHA Handbook 1761.1 and VHA Directive 2009-004, VHA authority has mandated that the national standardization of equipment, processes, and procedures take place to the maximum extent possible. Standardization creates best value, enhance the safety and quality of patient care, and result in a reduced variability in the number of different processes required for endoscope setup and reprocessing, thus reducing the potential for error.

The procurement of this brand name product and incidental of services to include installation, maintenance, repairs, training, and warranty will be through a sole source. Olympus authorized service technicians (Field service engineer) provide installation support, equipment training, and on-site technical support within 24hrs. All maintenance and repair procedures performed by Olympus are consistent with FDA regulations.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

Removing or overcome barriers is feasible with nonstandardization practices. However, for the Orlando VA Medical Center, standardization is necessary to avoid astronomical expenditure associated with the use of multiple brands of endoscopic equipment. Future consideration depends heavily on equipment compatibility. As the endoscopy market evolves & new technology arises, market research will be performed to identify new distributors of the brand.

(9) REQUIREMENTS CERTIFICATION: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*



SIGNATURE

Chandra Lillemoen

NAME

Orlando, VAMC

FACILITY

Chief Nurse, Medicine

TITLE

7/30/2013

DATE

Patient Care Services/Nursing

SERVICE LINE/SECTION

(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(h):

a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



CONTRACTING OFFICER'S SIGNATURE

Rosa I. Rivera Contracting Specialist

NAME AND TITLE

7/30/2013

DATE

Orlando Veterans Affairs Medical Center

FACILITY

b. PRODUCT LINE SUPERVISOR (up to SAT): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief. **This signature may be the VISN NCM/PCM if the Contracting Officer and Contracting Supervisor is the same individual.*



PRODUCT LINE SUPERVISOR SIGNATURE

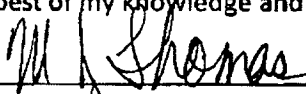
Daniel Pontoriero, Supervisor

NAME AND TITLE

7/30/2103

DATE

c. DNCM/NCM (SAT to \$500,000): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



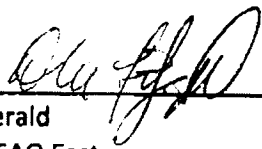
Mitchell Thomas
NCM, VISN 8

8-15-2013

DATE

rev by MBB
8/13/2013

d. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.



David Fitzgerald
DIRECTOR, SAO East

8-30-2013

DATE

e. **VHA HCA REVIEW AND APPROVAL (over \$500,000 to \$10 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

Norbert Doyle
Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

DATE